Revival of PSUs under Ministry of Industry

4158. SHRI GHUFRAN AZAM: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government have not yet issued appropriate communication pursuant to direction of the BIFR to Operating Agencies for the preparation of Revival Schemes for some of the Public Sector Undertakings which come under Ministry of Industry's administrative jurisdiction;

(b) whether it is also a fact that lack of Memorandum of Understanding between these companies and Government has been worsening the work culture despite stress of the managements which are unable to mobilise essential inputs and raw materials on time;

(c) whether Government's non-plan fundings for wage payments arc wasted unless these companies arc given proper assistance and planned funds; and

(d) if so, the facts and details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SMT. KRISHNA SAHI): (a) As per the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the BIFR directs the Operating Agency for preparation of schemes with respect to the sick company for reconstruction, revival, rehabilitation, amalgamation change-over of management, sale or lease of Sick Industrial company, as considered appropriate.

(b) No, Sir.

(c) and (d). Financial assistance is being provided by the Government to the Public Sector Undertakings based on the projected requirement and keeping in view the overall resource position. A total provision of Rs. 168.20 crores has been made in the 1994-95 budget for units referred to BIFR which includes Rs. 68.31 crores under the Non-plan head, Rs. 78.50 crores for VRS and Rs. 21.39 crores for plan programmes.

Manufacture of Mercedes Benz cars in India

4159. SHRI VIRENDRA KATARIA: Will the PRIME MINISTER be pleased to state:

(a) whether Government have given its approval to the proposal for establishment of a Joint Venture Company between Mercedes Benz of Germany and TELCO for manufacturing Mercedes Benz passenger cars at a new plant in Pune, Maharashtra;

(b) whether an agreement in this regard has been signed, if so, what are the terms and conditions of the agreement;

(c) by when the project is likely to come up; and

(d) what will be its annual capacity?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SMT. KRISHNA SAHI): (a) Yes, Sir.

(b) As per Goverment approval, the Joint Venture will have 51% equity participation by M/s. Daimler Benz, the holding company of Mercedes Benz of Germany and the balance 49% will be contributed by M/s. TELCO. The joint venture will pay Mercedes Benz a lump sum technical know-how fee of DM 56.6 million (Approximately Rs. 110 crores), net of taxes and royalty @ 2.75% (Gross) on sales of cars & on spare engines/gear boxes supplied to TELCO for their vehicles sold domestically and @ 5.5% on those engines and gear boxes which are fitted on TELCO vehicles for export. The joint venture envisages export of 50% of its production.

(c) The assembly of cars using imported kits is expected to commence in the first quarter of 1995. The commerical production is anticipated to commence by July, 1996.